

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	ITC-214-20061204-00538
)	(Terminated)
Space Net LLC)	
Termination of International Section 214)	
Authorization)	

ORDER

Adopted: March 4, 2019

Released: March 4, 2019

By the Chief, Telecommunications and Analysis Division, International Bureau:

I. INTRODUCTION

1. By this Order, we declare Space Net LLC’s (Space Net) international Section 214 authorization terminated because of Space Net’s inability to comply with an express condition for holding the authorization.¹ We also conclude that Space Net failed to comply with those requirements of the Communications Act of 1934, as amended (the Act), and the Commission’s rules that ensure that the Commission can contact and communicate with the authorization holder and verify Space Net is still providing service. These failures have prevented any way of addressing Space Net’s inability to comply with the condition of its authorization.

II. BACKGROUND

2. Section 214(a) of the Act prohibits any carrier from constructing, extending, acquiring, or operating any line, and from engaging in transmission through any such line, without first obtaining a certificate of authorization from the Commission.² Under Section 214(c) of the Act, the Commission “may attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require.”³

3. On August 2, 2007, the International Bureau (Bureau) granted Space Net an international Section 214 authorization to provide facilities-based service in accordance with Section 63.18(e)(1) of the

¹ The International Bureau granted Space Net’s authorization under File No. ITC-214-20061204-00538. *International Authorizations Granted*, Report No. TEL-01174, Public Notice, 22 FCC Rcd 14026 (IB 2007) (granting Space Net authority to provide facilities-based service pursuant to Section 63.18(e)(1)) (*Aug. 2, 2007 Space Net Authorization*); *International Authorizations Granted*, Report No. TEL-01176, Public Notice, 22 FCC Rcd 15098 (IB 2007) (correcting public notice of grant to also grant Space Net resale authority pursuant to Section 63.18(e)(2) and condition Space Net’s facilities-based and resale authority on Space Net abiding by the commitments and undertakings contained in its July 25, 2007 Letter of Assurance (LOA) to the U.S. Department of Justice (DOJ), including the Federal Bureau of Investigation (FBI), and the U.S. Department of Homeland Security (DHS) (*Aug. 9, 2007 Space Net Authorization*).

² 47 U.S.C. § 214(a); 47 CFR § 63.18 (stating any carrier seeking Section 214 authority “for the provision of common carrier communications services between the United States, its territories or possessions, and a foreign point shall request such authority by formal application”). The Commission granted “blanket” Section 214 authority to carriers providing domestic service but did not extend this authority to international services. *Implementation of Section 402(b)(2)(A) of the Telecommunications Act of 1996*, CC Docket No. 97-11, AAD File No. 98-43, Report and Order, Second Memorandum Opinion and Order, 14 FCC Rcd 11364, 11365-66, para. 2 & n.8 (1999).

³ 47 U.S.C. § 214(c).

Commission's rules.⁴ On August 9, 2007, the Bureau released a correction to also grant Space Net authority to provide resale service in accordance with Section 63.18(e)(2) of the Commission's rules.⁵ The Bureau granted the authorization on the express condition that Space Net abide by the commitments and undertakings contained in its July 25, 2007 Letter of Assurance (LOA) to DOJ, including the FBI, and DHS.⁶ The LOA outlines the commitments made by Space Net to address national security, law enforcement, and public safety concerns.⁷

4. On March 6, 2018, DHS, with the concurrence of DOJ, to include the FBI (collectively, the "Executive Branch Agencies"), notified the Commission of Space Net's non-compliance with the conditions of its authorization and requested that the Commission terminate, declare null and void and no longer in effect Space Net's international Section 214 authorization.⁸ The Executive Branch Agencies assess that Space Net is no longer in business based on their attempts to contact the company and evidence acquired through open source research and through information provided by a former point of contact.⁹

5. The Commission has made significant efforts to communicate with Space Net but has been unable to do so. On August 13, 2018, the Bureau's Telecommunications and Analysis Division sent a letter to Space Net at the last addresses of record, requesting that Space Net respond to the Executive Branch Agencies' allegations and possible violations of the Commission's rules by September 12, 2018.¹⁰ The mailings to Space Net were all undeliverable and returned to the Commission.¹¹ Since that time, the Bureau has provided Space Net with an additional opportunity to respond to these allegations.¹² The Bureau stated that failure to respond would result in termination of Space Net's international Section 214 authorization for failure to comply with the condition of its authorization. To date, Space Net has not responded to any of the Bureau's or the Executive Branch Agencies' multiple requests to resolve this matter.

⁴ *Aug. 2, 2007 Space Net Authorization*, 22 FCC Rcd 14026; 47 CFR § 63.18(e)(1).

⁵ *Aug. 9, 2007 Space Net Authorization*, 22 FCC Rcd 15098; 47 CFR § 63.18(e)(2).

⁶ *Aug. 9, 2007 Space Net Authorization*, 22 FCC Rcd 15098; Space Net LLC, Petition to Adopt Conditions to Authorizations and Licenses, File No. ITC-214-20061204-00538 (Aug. 2, 2007); Letter from Faouzi Abboud, Space Net LLC, to Sigal Mandelker, Deputy Assistant Attorney General, Criminal Division, U.S. Department of Justice; Stewart A. Baker, Assistant Secretary of Policy, U.S. Department of Homeland Security; and Elaine N. Lammert, Deputy General Counsel, Federal Bureau of Investigation (July 25, 2007) (LOA).

⁷ LOA at 1-2.

⁸ Letter from Phil Ludvigson, Director, Foreign Investment Risk Management, Office of Policy, U.S. Department of Homeland Security, to Marlene H. Dortch, Secretary, FCC (filed Mar. 6, 2018) (DHS Letter).

⁹ *Id.* at 1.

¹⁰ Letter from Denise Coca, Chief, Telecommunications and Analysis Division, International Bureau, FCC to Mr. Faouzi Abboud, Space Net, LLC (Aug. 13, 2018) (*Space Net Letter*).

¹¹ The Bureau staff mailed the *Space Net Letter* to: (1) Mr. Faouzi Abboud, who is listed as the applicant on the international Section 214 application – 777 Silver Spur Road, Rolling Hills Estate, California 90274; (2) Matthew Schulman, Regulatory Consultant, Regnum Group, Inc., who is listed as the contact – 7999 N.W. 53 Street, Doral, Florida 33166; (3) Space Net's Form 499 addresses – 650 S. Grand Avenue, Suite 600A, Los Angeles, California 90017 and 626 N. Flores Street, Suite 204, Los Angeles, CA 90048. The mailings were undeliverable and returned to sender. The Bureau staff also emailed the *Space Net Letter* to the last known email addresses – faboud@spacenetllc.com, fa@spacenetllc.com, and reg@regnumgroup.com – and those emails were undeliverable.

¹² *Final Notice of Intent to Declare the International Section 214 Authorization of Space Net LLC Terminated*, Public Notice, DA 18-1147 (IB Nov. 8, 2018) (*Space Net Public Notice*). Because the *Space Net Letter* was undeliverable, the *Space Net Public Notice* was posted in the Commission's Office of the Secretary. 47 CFR § 1.47(h).

III. DISCUSSION

6. We determine that Space Net's international Section 214 authorization to provide services issued under File No. ITC-214-20061204-00538 has terminated due to Space Net's inability to comply with an express condition for holding the international Section 214 authorization. We provided Space Net with notice and opportunity to respond to the allegations in the March 6, 2018 DHS Letter concerning Space Net's non-compliance with the condition of the grant. Space Net has not responded to any of our multiple requests or requests from the Executive Branch Agencies. We find that Space Net's failure to respond to our requests demonstrates that it is unable to satisfy the commitments in the LOA, which the Executive Branch Agencies relied upon in providing their non-objection to the grant of the authorization to Space Net, and compliance with which is a condition of the grant of Space Net's international Section 214 authorization to provide facilities-based and resale service.¹³

7. Furthermore, after having received an international Section 214 authorization, a carrier "is responsible for the continuing accuracy of the certifications made in its application" and must promptly correct information no longer accurate, "and in any event, within thirty (30) days."¹⁴ Space Net has failed to inform the Commission of any changes in its business status of providing international telecommunications services, as required by the Commission's rules.¹⁵ Finally, as part of its authorization, Space Net was required to file an annual international telecommunications traffic and revenue as required by Section 43.62 of the Commission's rules, which was in effect until April 2018.¹⁶ Section 43.62(b) stated that "[n]ot later than July 31 of each year, each person or entity that holds an authorization pursuant to Section 214 to provide international telecommunications service shall report *whether* it provided international telecommunications services during the preceding calendar year."¹⁷ Our records indicate that Space Net failed to file annual international telecommunications traffic and revenue reports indicating whether or not Space Net provided services in 2014 and 2015, as required by Section 43.62(b) of the Commission's rules.¹⁸ Space Net's failure to adhere to the Commission's rules designed to ensure its ability to communicate with the holder of the authorization and to verify if the holder is still providing service also warrants termination, wholly apart from Space Net's non-compliance with the condition of its international Section 214 authorization.

IV. ORDERING CLAUSES

8. Accordingly, IT IS ORDERED, pursuant to Sections 4(i), 214, and 413 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 214, 413, and Sections 1.47(h), 43.62, 63.18, 63.21, 63.22(h), 63.23(e), and 64.1195 of the Commission's rules, 47 CFR §§ 1.47(h), 43.62, 63.18, 63.21, 63.22(h), 63.23(e), 64.1195, that the international Section 214 authorization issued under File No. ITC-214-20061204-00538 IS HEREBY TERMINATED AND DECLARED NULL AND VOID.

¹³ Aug. 9, 2007 *Space Net Authorization*, 22 FCC Rcd 15098.

¹⁴ 47 CFR § 63.21(a).

¹⁵ *Id.*

¹⁶ 47 CFR § 43.62(b). In 2013, the Commission adopted Section 43.62(b) of its rules, which went into effect on February 11, 2015. *Reporting Requirements for U.S. Providers of International Telecommunications Services; Amendment of Part 43 of the Commission's Rules*, IB Docket No. 04-112, Second Report and Order, 28 FCC Rcd 575 (2013); *Reporting Requirements for U.S. Providers of International Telecommunications Services*, 80 Fed. Reg. 7547 (Feb. 11, 2015). On October 24, 2017, the Commission eliminated the annual traffic and revenue reporting requirement. *Section 43.62 Reporting Requirements for U.S. Providers of International Services; 2016 Biennial Review of Telecommunications Regulations*, IB Docket Nos. 17-55 and 16-131, Report and Order, 32 FCC Rcd 8115 (2017); *Section 43.62 Reporting Requirements for U.S. Providers of International Services; 2016 Biennial Review of Telecommunications Regulations*, 83 Fed. Reg. 17931 (April 25, 2018).

¹⁷ 47 CFR § 43.62(b) (emphasis added).

¹⁸ 47 CFR § 43.62(b).

9. IT IS FURTHER ORDERED that the request of the U.S. Department of Homeland Security, with the concurrence of the U.S. Department of Justice, to include the Federal Bureau of Investigation, IS HEREBY GRANTED, to the extent set forth in this Order.

10. This Order shall be posted in the Commission's Office of the Secretary.¹⁹

11. This Order is issued on delegated authority under 47 CFR §§ 0.51, 0.261, and is effective upon release. Petitions for reconsideration under Section 1.106 of the Commission's rules, 47 CFR § 1.106, or applications for review under Section 1.115 of the Commission's rules, 47 CFR § 1.115, may be filed within 30 days of the date of the release of this Order.

FEDERAL COMMUNICATIONS COMMISSION

Denise Coca
Chief, Telecommunications and Analysis Division
International Bureau

¹⁹ 47 CFR § 1.47(h).